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September 26, 2006

WM. TIMOTHY ALLEN, III

Direct: 318.934.0217

Email: tallen@bwor.com

Honorable James H. Welsh Commissioner of Conservation State of Louisiana Post Office Box 94275 Baton Rouge, Louisiana 70804-9275

RE: HEARING APPLICATION

HA RE SUR

North Shongaloo-Red Rock Field Webster Parish, Louisiana Our File No. 340029.0389

Dear Sir:

On behalf of MARATHON OIL COMPANY, application is hereby made for a public hearing to receive evidence concerning the issuance of an order pertaining to the following matters relating to the Haynesville Sand, Reservoir E, North Shongaloo-Red Rock Field, Webster Parish, Louisiana:

- 1. To provide that John J. Welsh should remain designated as operator of its John J. Welsh HA RE SUR; L.A. Simms No. 1 Well, which is the unit well for HA RE SUR, and should be permitted to separately report production from said well to the Office of Conservation.
- 2. To provide that upon successful completion of the Marathon Oil Company L.A. Simms 4 No. 1 Well, which shall be operated by Marathon Oil Company and which was designated by Order No. 104-G-50, effective December 7, 2005, as an alternate unit well for HA RE SUR, Marathon Oil Company should be permitted to separately report production from said well to the Office of Conservation.
- 3. To provide that the unit allowable for HA RE SUR may be produced from either the unit well, the alternate unit well, or any combination thereof, with the allocation of such allowable between said wells to be arranged between the operators of the respective wells, at their discretion.
- 4. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Haynesville Sand, Reservoir E, in the North Shongaloo-Red Rock Field, Webster and Claiborne

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Parishes, Louisiana, is fully defined in Office of Conservation Order No. 104-G-4, effective March 7, 1989.

The Rules of Procedure of the Commissioner of Conservation pertaining to the Pre-Application Notice requirements are not applicable to the hearing requested herein, which requires legal notice of only ten (10) days.

Pertinent data concerning the intended application will be made available for inspection at the offices of Blanchard, Walker, O'Quin & Roberts, 400 Texas Street, Suite 1400, Shreveport, Louisiana 71101. Any person wishing to inspect such data should call Mr. Wm. Timothy Allen III (318) 221-6858 during normal business hours or write Mr. Allen at the above address, in order to arrange a date and time for such inspection. A copy of any such pertinent data can be obtained at the expense of the requesting party.

A list of the names and addresses of all Interested Owners, Represented Parties and Interested Parties (as defined in the Rules of Procedure) is attached hereto, and a copy of this notice, is being sent to each of such persons. A reasonable effort has been made to determine that the enclosed list includes all of the persons to whom this notice must be sent under the Rules of Procedure.

A check in the amount of \$755.00 made payable to the Commissioner of Conservation is enclosed herewith as the statutory fee for holding the requested hearing.

This application is being filed in duplicate, and a copy hereof is being sent to Mr. James C. Broussard, Shreveport District Manager of the Office of Conservation and to each Interested Owner, Represented Party and Interested Party whose name is shown on the attached list.

Very truly yours,

BLANCHARD, WALKER, O'QUIN & ROBERTS

WTAIII:kml Enclosures

cc:

Wm. Timothy Allen III
Attorneys for Marathon Oil Company

Mr. James C. Broussard, Shreveport

District Manager, Office of Conservation

(w/enclosures)

cc: Interested Owners, Represented Parties

and Interested Parties